



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

January 15, 2013

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

Community Development Commission

1-D January 29, 2013

SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVE AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT WITH YOUNG
WOMEN'S CHRISTIAN ASSOCIATION OF GREATER LOS ANGELES FOR THE PACIFIC
BOULEVARD FAMILY DEVELOPMENT CENTER PROJECT IN UNINCORPORATED WALNUT
PARK
(DISTRICT 1) (3 VOTE)**

SUBJECT

This letter recommends approval of Amendment No. 1 to the Disposition and Development Agreement with the Young Women's Christian Association of Greater Los Angeles, for the development of the Pacific Boulevard Family Development Center, located at 7515 Pacific Boulevard Avenue in unincorporated Walnut Park. This letter also recommends the transfer of funds previously allocated by the First District for the La Alameda Senior Center and El Camino Library projects.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Executive Director or his designee to execute Amendment No. 1 to the Disposition and Development Agreement with Young Women's Christian Association of Greater Los Angeles (Developer), to provide the Developer with an additional \$6,387,548 to fund development, construction and other project related costs for the Pacific Boulevard Family Development Center.
2. Authorize the Executive Director or his designee to transfer \$5,100,000 in Capital Funds and interest earnings from the First Supervisorial District, previously allocated to the Commission for the La Alameda Senior Center and El Camino Library projects, to be used for the Pacific Boulevard Family Development Center, and to execute any amendments to the Funding Agreement or related documents with the County.

3. Authorize the Executive Director to accept \$1,400,000 in Provisional Finance Uses allocated by the First Supervisorial District for the Project, and to execute any related documents to facilitate the transfer.

4. Authorize the Executive Director to incorporate up to \$6,500,000 into the Commission's Fiscal Year 2012-2013 approved budget and to use up to \$112,452 for construction oversight.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed amendment to the Disposition and Development Agreement (DDA) will provide the funding balance necessary for the development and construction of an existing building into a family development center.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The total development budget is currently estimated at \$10,000,000. On December 14, 2010 your Board approved \$3,500,000 for Phase I of the project. The balance of \$6,500,000 in First District Capital, interest and Provisional Finance Uses will be used to pay for Phase II, which includes development, construction and other project-related costs. Amendment No. 1 will be funded with \$6,387,548 of these funds, and the remaining \$112,452 will be retained by the Commission for construction oversight.

We are requesting that your Board approve the transfer of a total of \$5,100,000 in various Capital and interest funds for Phase II of the project. These funds consist of:

- \$3,500,000, plus accrued interest of \$100,000, in First District Capital Funds which were previously authorized by your Board for the La Alameda Senior Center. However, due to redistricting, the project now falls outside of the First District boundaries.
- \$1,500,000 in funding previously authorized by your Board for the El Camino Library. However, this project is delayed and First District has reallocated these funds for the Pacific Boulevard Family Development Center.

In addition, we intend to use \$1,400,000 in Provisional Finance Uses which your Board is considering under a related agenda item today.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 19, 2011, your Board approved the DDA for the development of the Pacific Boulevard Family Development Center (Project). The Project consists of the development and construction of an existing supermarket building into an approximately 13,900 square foot family development center at 7515 Pacific Boulevard, located west of Pacific Boulevard between Flower Street and Live Oak Street in unincorporated Walnut Park.

Under the original DDA, the Developer conducted predevelopment activities, and the Commission acquired the property. Under the amended DDA, the Developer will develop the Project and oversee all construction activities. Progress payments will be made by the Commission to the Developer as construction milestones are completed. The Commission will provide labor compliance and

construction inspection throughout the construction of the Project.

The family development center will include a childcare center that will serve a minimum of 50 children, and will provide a wide array of age-appropriate supportive services and resources to children, youth, and community members, including; childcare, English as a Second Language classes, parenting classes, health and wellness classes, computer training, and other programs. After construction rehabilitation is completed and the Developer has complied with all state childcare licensing and other requirements, the Commission will transfer the property to the Developer to own and operate the facilities.

Amendment No. 1 to the DDA is attached in substantially final form. It will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION

On July 19, 2011, your Board found that the Disposition and Development Agreement is exempt from the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15301 because the Project involves negligible or no expansion of use beyond that existing at the time of your Board's approval approved by your Board on July 19, 2011, and does not have the potential for causing significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment No. 1 to the DDA will provide for the development and construction of an existing building into a family development center that will serve the local community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:so

Enclosures

AMENDMENT NO. 1
TO THE DEVELOPMENT AND DISPOSITION AGREEMENT

THIS AMENDMENT No. 1, dated _____ 2013, ("Amendment") hereby amends the DEVELOPMENT AND DISPOSITION AGREEMENT ("DDA"), between the Community Development Commission of the County of Los Angeles, hereinafter referred to as the "Commission", and Young Women's Christian Association of Greater Los Angeles, a California nonprofit public benefit corporation, hereinafter referred to as the "Developer", collectively referred to as the "Parties".

WITNESSETH THAT:

WHEREAS, on December 14, 2010, the Board of Commissioners approved the acceptance of \$3,500,000 from first District Provisional Finance Unit Funds into the Commission's 2010-2011 budget to pay for pre-development costs, including the acquisition, consultant planning, entitlement fees and other project related costs ("Phase I") for the Pacific Boulevard Childcare Center ("Project") located at 7515 Pacific Boulevard, Walnut Park, CA 90255; and

WHEREAS, the Commission and the Developer entered into the DDA dated July 22, 2011, whereby the Commission provided to the Developer \$1,204,452 of the approved \$3,500,000 to complete the Project's Phase I predevelopment activities, including but not limited to, preparing the architectural plans for the Project, obtaining entitlements, permits and for expenditure on all other Phase I Project-related costs; and

WHEREAS, pursuant to this Amendment, the Commission desires to provide the Developer additional funding in the amount of \$6,387,548 to pay for the Developer's participation in Phase II of Project, including but not limited to, pre-development, construction of the Project and all related work to complete Phase II of the Project; and

WHEREAS, in receipt of \$6,387,548 the Developer agrees to complete Phase II of the Project pursuant to the terms of the DDA, and all applicable construction drawings, plans, specifications, as well as all applicable laws, codes and ordinances.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY AGREED AND THE MUTUAL PROMISES AND COVENANTS OF THE PARTIES SET FORTH IN THIS AMENDMENT, THE PARTIES AGREE AS FOLLOWS:

1. The Commission will provide funding to the Developer an amount not to exceed \$6,387,548 in First Supervisorial Capital Funds and Provisional Finance Unit Funds to be used for Phase II funding of the Project by the Developer. See attached Exhibit A for Project budget.

2. The Developer shall complete Phase II of the Project pursuant to the terms of the DDA, and all applicable construction drawings, plans, specifications, as well as all applicable laws, codes and ordinances, and

3. The Developer shall submit to the Commission Payment Requests identifying its costs and reimbursable expenses associated with Phase II.

3. Upon receipt of said Payment Request Commission will issue payment to the Developer provided the Commission, in its sole discretion, approves the items of work and the associated amounts requested.

4. All other terms and conditions of the DDA shall remain in full force and effect.

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IN WITNESS WHEREOF, the Commission and Developer, through their duly authorized officers, have executed this Amendment No. 1 to the DDA as of the date first written.

DEVELOPER:

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF GREATER LOS ANGELES

By: _____
Faye Washington, Executive Director

COMMISSION:

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES

By: _____
SEAN ROGAN, Executive Director

APPROVED AS TO PROGRAM:
Construction Management Division

By: _____
Terry Gonzalez, Director

APPROVED AS TO FORM:
John F. Krattli
County Counsel

By: _____
Talin Halabi
Deputy

Attachment A
PROJECT BUDGET

TOTAL DEVELOPMENT BUDGET

| | PHASE 1 FUNDING | PHASE 2 FUNDING | |
|--|--------------------|---|---------------------|
| COUNTY OF LOS ANGELES CAPITAL FUNDS | PRE-DEVELOPMENT | REHABILITATION CONSTRUCTION / PERMANENT | TOTAL |
| CDC Acquisition/Holding Costs | \$1,828,000 | | \$1,828,000 |
| CDC/CMD Fees | \$467,548 | \$112,452 | \$580,000 |
| CDC held Contingency for Project | \$60,000 | \$40,000 | \$100,000 |
| Development (Soft) Cost | \$1,144,452 | \$794,992 | \$1,939,444 |
| Construction (Hard) Costs | | \$5,552,556 | \$5,552,556 |
| TOTAL DEVELOPMENT COST | \$3,500,000 | \$6,500,000 | \$10,000,000 |
| FUNDING TO DEVELOPER UNDER DDA (UP TO AMOUNTS SUBJECT TO BOARD APPROVAL) | \$1,204,452 | \$6,387,548 | \$7,592,000 |